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## SELECT COMMITTEE ON FEDERAL ECONOMIC STABILIZATION FUNDING

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A handwritten signature in black ink, appearing to be "Jim Dunnam", written over a horizontal line.

### MEMORANDUM

TO: Texas House of Representatives

FROM: Chairman Jim Dunnam

DATE: January 15, 2010

SUBJECT: Jobs for Main Street Act 2010, State Fiscal Stabilization Funds Phase II, and Race to the Top

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#### Jobs for Main Street Act 2010

Next week when the Senate reconvenes they set the issues in H.R. 2847, also referred to as the "Jobs for Main Street Act 2010" or "Stimulus II" on their calendar for a vote. On December 16, 2009, the U.S. House of Representatives passed H.R. 2847 which provides states with sizable infrastructure and potential job saving initiatives to help endure the current economic lull.

The Jobs for Main Street Act 2010 contains both emergency and non-emergency funding that is partly covered by savings from the Troubled Asset Relief Program (TARP). Included within H.R. 2847 is an enhanced Medicaid match through June 2010, an extension of the Surface Transportation Authorization, continuance by the Small Business Administration for temporary loan guarantee authorities through fiscal year 2010, and a variety of components previously targeted in the American in the American Reinvestment and Recovery Act (ARRA) to counteract unemployment and state revenue losses. The Act expressly notes that all funds must be obligated by September 30, 2010, and will be subject to all requirements of Buy American within ARRA.

Detailed below are key provisions included with the Jobs for Main Street Act:

#### **Medicaid and other Health Provisions**

\$23.5 billion to extend enhanced federal Medicaid match funds through June 2010

\$12.3 billion to extend from 9-15 months the 65% COBRA insurance subsidy; the job lost eligibility date is extended to June 30, 2010

### **Transportation**

\$27.5 billion to make additional highway infrastructure investments

\$8.4 billion for public transportation investments, including \$6.15 billion for urban and rural formula grants

\$800 million for capital grants for Amtrak

\$500 million for airport improvement projects

### **Energy and Water**

\$2 billion for the Innovative Technology Loan Guarantee program

\$1 billion for the Clean Water State Revolving Fund

\$1 billion for the Safe Drinking Water State Revolving Fund

\$715 million for environmental restoration and flood protection by the Corps of Engineers

### **Education**

\$23 billion for an Education Jobs Funds for states (through the ARRA fiscal stabilization fund)

\$4.1 billion for school renovation grants

### **Housing**

\$1 billion for the National Housing Trust Fund

\$1 billion for the Public Housing Capital Fund

### **Labor and Workforce**

\$41 billion to extend expanded unemployment benefits

\$1.18 billion for law enforcement jobs (primarily COPS program)

\$750 million for grants for job training in high growth fields

\$500 million for summer youth employment

\$354 for small business loans

For your information, I am providing the link to H.R. 2847 from the U.S. House of Representatives website:

[http://www.rules.house.gov/111/LegText/111\\_hr2847hamndsamnd.pdf](http://www.rules.house.gov/111/LegText/111_hr2847hamndsamnd.pdf)

### **State Fiscal Stabilization Funds Phase II**

On January 12, 2010 Governor Perry's office along with the Texas Education Agency submitted the application for second phase of the State Fiscal Stabilization Fund to the U.S. Department of Education. Texas applied to received \$1.2 billion of the \$3.2 billion available to Texas in State Fiscal Stabilization Funds (SFSF) under the American Recovery and Reinvestment Act (ARRA). Texas received the first installment of \$2 billion in stimulus funding for Texas public schools in July 2009. The application asked states to provide basic information on teacher distribution, the collection and use of data, standards and assessments, and support for struggling schools.

### **Race to the Top Grant**

Governor Perry announced this week that Texas will not submit an application for "Race to the Top" educational funds. The "Race to the Top Fund" rewards states that have raised student performance in the past and have the capacity to accelerate achievement gains with innovative reforms. Texas could have receive \$350-700 million of the \$4 billion available to the states. The U.S. Department of Education will hold two rounds of competition for the "Race to the Top" grants. The first round application is due January 19, 2010, with the awards to be announced in April 2010. Applications for the second round will be due June 1, 2010, with the announcement of all the winners by September 30, 2010. States must apply for the first round of funds in order to apply for the second round. Therefore, Texas will not be able to receive any "Race to the Top" funds.